



**Consumer Electronics Association**

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June 7, 2005

The Honorable Dennis Hastert  
Speaker  
U.S. House of Representatives  
Washington, D.C. 20515

Dear Speaker Hastert:

I am writing to express CEA's support for the immediate consideration and passage of the U.S.-Central American – Dominican Republic Free Trade Agreement (CAFTA-DR).

CEA is a U.S. based trade association representing more than 2,000 corporate members involved in the design, development, manufacturing, distribution and integration of audio, video, mobile electronics, wireless and landline communications, information technology, home networking, multimedia and accessory products, as well as related services that are sold through consumer channels. Combined, CEA's members account for more than \$10 billion in annual sales. CEA also sponsors and manages the International CES, the largest annual consumer technology trade show.

CEA is a strong supporter of open and free trade, which is crucial to the success of the consumer electronics industry in the United States and around the world. The CAFTA-DR is significant not only for its market access provisions, but for its strategic importance in furthering global trade liberalization. In view of the fact that over 60% of U.S. technology industry revenue comes from overseas, passage of CAFTA-DR will continue the important work of expanding markets, benefiting the signatory countries and ultimately benefiting the consumer electronics (CE) industry.

CAFTA-DR includes important market access provisions. The Dominican Republic, Guatemala, Honduras and Nicaragua will now join Costa Rica and El Salvador as members the WTO Information Technology Agreement (ITA), resulting in significant tariff elimination, most on an immediate basis. As most information technology products already enter the United States duty-free, this development will establish a more balanced, reciprocal trade relationship.

The CE industry also appreciates the trade facilitation provisions of CAFTA-DR. Enhanced transparency of customs laws and regulations, the requirement of advanced customs rulings, the elimination of consular transaction requirements for U.S. exports, and the advent of expedited customs procedures for express shipments are but a few of the CAFTA-DR provisions that will facilitate the shipment of U.S. exports and help to expand markets in the region.



In addition, unlike NAFTA and the US-Chile FTA, the CAFTA-DR continues to allow companies to use duty drawback and other duty deferral regimes with respect to other trading partners outside of CAFTA-DR. This was an issue strongly fought for by a large and diverse coalition of industries during negotiation and continues to have support in subsequent FTAs. Retaining drawback places U.S. companies on a level playing field with companies in Europe and Asia that have negotiated similar FTAs that retain drawback. Keeping drawback and other duty deferral programs in CAFTA-DR sets a precedence for their continuation in the US-Andean FTA and ultimately in the FTAA.

While there are trade negotiating objectives that we hope to continue to work with the U.S. government to achieve in future trade agreements, CEA believes that the U.S.-CAFTA-DR agreement is an important building block for future trade liberalization in the region and for the success of the WTO Doha Round. Accordingly, we applaud the U.S. government for its hard work in achieving this trade agreement and we support its passage in the United States Congress.

Sincerely,

A handwritten signature in black ink, appearing to read "Gary Shapiro". The signature is fluid and cursive, with the first name "Gary" and last name "Shapiro" clearly distinguishable.

Gary Shapiro  
President and CEO